

Message Text

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PAGE 01 STATE 177984

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TO AMEMBASSY BONN

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SUBJECT: PRESS RELEASE ON EXIMBANK LOAN TO GERMANY

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON
THE TWO DIRECT LOANS TOTALLING DOLS 46,520,000 TO LUFTHANSA.
RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON,
D.C. FOR A.M. PAPERS, WEDNESDAY, SEPTEMBER 12, 1973.

QUOTE EXIMBANK SUPPORTS \$130.5 MILLION SALE
OF U.S. JET AIRCRAFT TO GERMANY

TO HELP FINANCE SALES OF U.S. JET AIRCRAFT, RELATED GOODS
AND SERVICES TO GERMANY, THE BOARD OF DIRECTORS OF THE
EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED TWO
DIRECT LOANS TOTALLING DOLS 46,520,000 ACCORDING TO EXIM-
BANK'S CHAIRMAN HENRY KEARNS.

ONE EXIMBANK LOAN OF DOLS 30,520,000 WILL FINANCE 35.8 PER-
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PAGE 02 STATE 177984

CENT OF THE TOTAL COSTS OF \$85.3 MILLION FOR NINE BOEING

727-200 JET AIRCRAFT WITH INSTALLED ENGINES AND RELATED GOODS AND SERVICES. ADDITIONAL FINANCING OF \$37,720,000 WILL BE PROVIDED FROM PRIVATE NON-U.S. SOURCES TO FINANCE 44.2 PERCENT OF THE TOTAL U.S. COSTS. THE BORROWER, DEUTSCHE LUFTHANSA AKTIENGESELLSCHAFT (LUFTHANSA), OF COLOGNE, GERMANY, WILL MAKE CASH PAYMENT OF THE BALANCE OF 20 PERCENT OF THE U.S. COSTS OF \$17,060,000. DELIVERY OF THE NINE AIRCRAFT BY THE BOEING COMPANY WILL COVER A PERIOD FROM JUNE 1974 TO MAY 1975.

REPAYMENT OF EXIMBANK'S DIRECT LOAN OF \$30,520,000 IS TO BE MADE IN THREE SCHEDULES OF 20 SEMIANNUAL INSTALLMENTS EACH BEGINNING FEBRUARY 5, AUGUST 5 AND NOVEMBER 5, 1975, RESPECTIVELY.

THE OTHER EXIMBANK DIRECT LOAN IS FOR \$16 MILLION AND WILL FINANCE 35.4 PERCENT OF THE U.S. COSTS OF TWO DC10-30 JET AIRCRAFT WITH INSTALLED ENGINES, RELATED GOODS AND SERVICES COSTING \$45.2 MILLION. ADDITIONAL FINANCING OF \$20,160,000 WILL PROVIDE 44.6 PERCENT OF THE COSTS. LUFTHANSA WILL MAKE CASH PAYMENT OF THE BALANCE OF 20 PERCENT OF THE TOTAL COSTS OR \$9,040,000. THE AIRCRAFT ARE SCHEDULED FOR DELIVERY BY THE MCDONNELL DOUGLAS CORPORATION IN MARCH, 1975.

REPAYMENT OF EXIMBANK'S DIRECT LOAN OF \$16 MILLION IS TO BE MADE IN 20 SEMIANNUAL INSTALLMENTS BEGINNING SEPTEMBER 15, 1975.

INTEREST ON THE EXIMBANK'S LOANS IS TO BE CHARGED AT AN ANNUAL RATE OF 6 PERCENT ON OUTSTANDING BALANCES AND REPAYMENT IS TO BE GUARANTEED BY THE FEDERAL REPUBLIC OF GERMANY. UNQUOTE RUSH

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